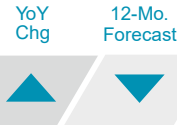


23.7%
Vacancy Rate



8.2%
Retail Sales Growth



96.4
Consumer Composite Sentiment Index(CCSI)



Source: Korean Statistical Information Service, Cushman & Wakefield Research

S. KOREA ECONOMIC INDICATORS Q2 2022

3.1%
GDP Growth



6.0%
CPI Growth



3.0%
Unemployment



Source: Korean Statistical Information Service, Bank Of Korea

Economic Overview

As of June 2022, the Consumer Confidence Index (CCSI) was at 96.4, down 6.2p from the previous month. A CCSI figure of less than 100 indicates a negative view of the future economic situation. Consumer sentiment has now dropped below 100 16 months after turning positive. The consumer price inflation rate in June 2022 was 6%, the highest since the 1998 financial crisis. Consumer price growth is expected to be climb higher than the current rate due to rising international oil and raw material prices and international grain prices due to the conflict in Ukraine.

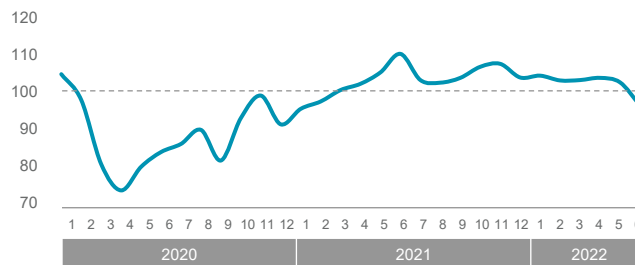
High Street Vacancy in Second Drip Since COVID Pandemic

The retail industry environment, which had been suffering from COVID-19, has rebounded. Cushman & Wakefield data reveals the Seoul high street vacancy rate fell for the second consecutive quarter since the COVID pandemic. The average vacancy rate dropped to 23.7% in Q2 2022, down by 1.9 pp q-o-q. Foreign tourist arrivals are expected to increase due to the resumption of tourist visas and exemption from self-quarantine for overseas arrivals. Myeongdong showed a decrease in vacancy rate as cosmetics and fashion stores, which were hit hardest by the decline in foreign tourists during the COVID pandemic, recently re-opened stores. Hannam/Itaewon also recorded a noticeable drop, with the opening of the Nonfiction flagship store, as well as Minitmute, ESPRIT Experium, and other beauty and fashion brands. Cushman and Wakefield research analyzed passenger numbers at major subway stations from January 2021 to May 2022. As of May 2022, the number of people alighting at Myeong-dong, Hannam/Itaewon subway stations increased by more than 40% compared to the same period last year. Other subway stations also showed an average increase of more than 25 percent in disembarking passenger numbers. The recovery of retail industry is expected to begin in earnest in the second half of 2022.

Samcheong-dong District Resurrected With Full Opening of the Cheong Wa Dae

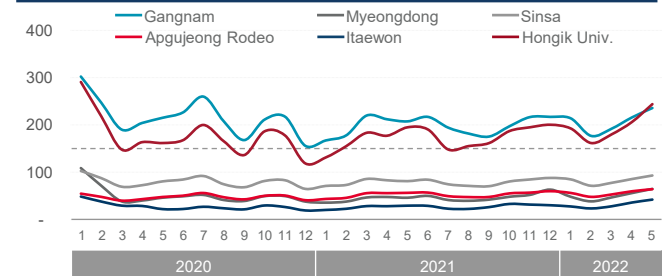
The Samcheong-dong district has grown with the expansion of international tourists since the Korean Wave, but has also experienced contraction due to a fall in Chinese tourists in the mid and late 2010s amid heightened international tensions, combined with gentrification and rising property values. However, the commercial district has again commenced a revival with the full opening of the Cheong Wa Dae, or Blue House. Family group and MZ generation visits in particular are rising. Lee Kun-hee's art collection exhibition was a further incentive for local tourism. In line with the revival of the Samcheong-dong district, lifestyle beauty brand Nonfiction has opened its fourth flagship store. In addition, the E-Mart 24 pop-up store was opened for the target MZ generation with a collaboration of luxury brands and online games. As the state's transition to managing COVID-19 as an endemic condition begins in earnest, the revival of commercial districts such as Samcheong-dong, Seochon, and Bukchon near the Blue House is expected to continue for the immediate future.

Consumer Composite Sentiment Index (CCSI)



Source: Korean Statistical Information Service

Number of People Getting Off at Subway Station



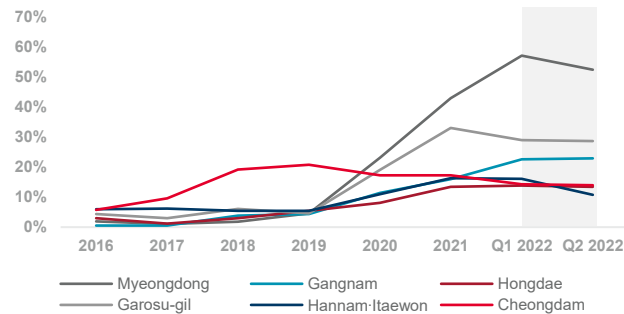
Source: Korean Statistical Information Service

MARKET VACANCY STATISTICS

MARKET	Q2 2022 VACANCY RATE	Q1 2022 VACANCY RATE	% POINT CHANGE QOQ	Q2 2021 VACANCY RATE	% POINT CHANGE YOY
Myeongdong	52.5%	57.2%	-4.6%	39.8%	12.7%
Gangnam	22.9%	22.6%	0.3%	14.1%	8.8%
Hongdae	13.4%	13.9%	-0.5%	10.9%	2.6%
Garosu-gil	28.7%	29.0%	-0.2%	33.7%	-5.0%
Hannam-Itaewon	10.8%	16.1%	-5.3%	16.6%	-5.7%
Cheongdam	14.0%	14.3%	-0.3%	19.2%	-5.2%
TOTALS	23.7%	25.5%	-1.8%	22.4%	1.3%

Source: Cushman & Wakefield Research

OVERALL VACANCY RATE



KEY LEASE TRANSACTIONS / NEW RETAIL FLAGSHIPS Q2 2022

PROPERTY TYPE	MARKET	TENANT	SQM	CATEGORY
High-street	Cheongdam	Handsome Liquides Bar à Parfums	154	Beauty
High-street	Hannam-Itaewon	ESPRIT Experium	327	Fashion
High-street	Hannam-Itaewon	Minitmute Flagship Store	139	Fashion
High-street	Sungsu	Dior Concept Store	696	Luxury
High-street	Jamsil	ZARA Lotte world Mall	3,180	Fashion
High-street	Sinsa	Louis Vuitton Pop-up	1,520	Luxury-Pop-up Store
High-street	Samcheong	Nonfiction Flagship Store	291	Beauty

Source: Cushman & Wakefield Research

KEY PROJECTS UNDER CONSTRUCTION / RECENTLY COMPLETED

PROPERTY	LOCATION	SQM	COMPLETION DATE
AK Plaza Gwangmyeong	Gwangmyeong	46,305	2021.10
Pangyo Techone Tower	Pangyo	16,108	2021.10
Times Stream Sillim	Seoul	38,000	2021.11
Times Terrace Dongtan	Dongtan	142,000	2022.04
AK Plaza Geumjeong	Gunpo	24,320	2022. 2H
Ipark Mall Gocheok	Seoul	45,137	2022. 2H
LG Art Center Magok	Seoul	1,600	2022. 2H

Source: Cushman & Wakefield Research

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